

**REMARKS:**

Claims 1-29 are currently pending in the application. Claims 11-24 have been withdrawn. Claims 24, 27, and 29 stand rejected under 35 U.S.C. § 101 as allegedly being directed to non-statutory subject matter. Claims 1-10 and 25-29 stand rejected under 35 U.S.C. § 112, second paragraph. Claims 1-10 and 25-29 stand rejected under 35 U.S.C. § 102(e) over U.S. Patent No. 6,324,522 B2 to Peterson ("Peterson").

**REJECTION UNDER 35 U.S.C. § 101:**

Claims 24, 27, and 29 stand rejected under 35 U.S.C. § 101 as allegedly being directed to non-statutory subject matter.

Although Applicants believe claims 24, 27, and 29 are directed to patentable subject matter without amendment, Applicants have amended claims 24, 27, and 29 to further clarify that these claims are directed towards a computer-readable medium (claims 24 and 29) or a computer-implemented system (claim 27) and, accordingly, are clearly directed to patentable subject matter. These amendments are not considered narrowing or necessary for patentability. By making these amendments, Applicants do not indicate agreement with or acquiescence to the Examiner's position with respect to the rejections of these Claims under 35 U.S.C. § 101, as set forth in the Office Action.

For at least these reasons, Applicants submit that claims 24, 27, and 29 are directed to statutory subject matter. The Applicants further submit that claims 24, 27, and 29 are in condition for allowance. Therefore, the Applicants respectfully request that the rejection of claims 24, 27, and 29 under 35 U.S.C. § 101 be reconsidered and that claims 24, 27, and 29 be allowed.

**REJECTION UNDER 35 U.S.C. § 112:**

Claims 1-10 and 25-29 stand rejected under 35 U.S.C. § 112, second paragraph, as allegedly being indefinite.

Specifically, the Office Action alleges that the phrase “capacity extreme” is indefinite and appears to be subjective making the scope of the claim unclear. This allegation is respectfully traversed.

The MPEP sets forth, as a standard for reviewing a claim’s compliance with the second paragraph of Section 112, that a claim should be considered to be in compliance if it the scope of the claim can be discerned by one of ordinary skill in the art:

In reviewing a claim for compliance with 35 U.S.C. 112, second paragraph, the examiner must consider the claim as a whole to determine whether the claim apprises one of ordinary skill in the art of its scope and, therefore, serves the notice function required by 35 U.S.C. 112, second paragraph, >by providing clear warning to others as to what constitutes infringement of the patent<.

(MPEP § 2173.02) Applicants respectfully submit that those skilled in the art would be able to determine, especially in light of the written disclosure, the scope of the claims in question that recite “capacity extreme.” It is noted that the Office Action states that “[t]he phrase [capacity extreme] appears to be subjective....” Applicants interpret this statement to mean that the Examiner considers “capacity extreme” to be subjective to the extent that it may be unclear as to exactly what “capacity” constitutes a capacity “extreme.”

In response, Applicants respectfully point out that the MPEP provides for claims that include “relative terminology” to be considered acceptable with respect to the requirements of Section 112, second paragraph:

The fact that claim language, including terms of degree, may not be precise, does not automatically render the claim indefinite under 35 U.S.C. 112, second paragraph. *Seattle Box Co., v. Industrial Crating & Packing, Inc.*, 731 F.2d 818, 221 USPQ 568 (Fed. Cir. 1984). Acceptability of the claim language depends on whether one of ordinary skill in the art would understand what is claimed, in light of the specification.

...

When a term of degree is presented in a claim, first a determination is to be made as to whether the specification provides some standard for measuring that degree. If it does not, a determination is made as to whether one of ordinary skill in the art, in view of the prior art and the status of the art, would be nevertheless reasonably apprised of the scope of the invention.

(MPEP 2173.05(b)) Thus, the claim can be considered “definite” when the specification provides some standard for measuring the degree. In the present case, Applicants respectfully point out that the specification of the present application adequately sets forth standards for what can be considered “capacity extreme.” For example, the specification at page 2, lines 2-8 and page 4, lines 4-17 discuss how a “capacity extreme” is a capacity that represents an excess in capacity, which would be more manufactured goods than an entity has orders for, or a deficit in capacity, which would be too few manufactured goods to meet pending orders. Those skilled in the relevant arts would appreciate, based at least on these portions of the specification, what constitutes a “capacity extreme.”

For at least these reasons, Applicants submit that claims 1-10 and 25-29 are in full compliance with the requirements of 35 U.S.C. § 112. The Applicants further submit that claims 1-10 and 25-29 are in condition for allowance. Therefore, the Applicants respectfully requests that the rejection of claims 1-10 and 25-29 under 35 U.S.C. § 112 be reconsidered and that claims 1-10 and 25-29 be allowed.

**REJECTION UNDER 35 U.S.C. § 102(e):**

Claims 1-10 and 25-29 stand rejected under 35 U.S.C. § 102(e) over Peterson.

Specifically, the Examiner noted that “Peterson discloses the claimed features including a planning application (the search computer) and the manager application (the overall computer system governing the electronic commerce system).” The Applicants have reviewed Peterson in detail, particularly looking for a planning application and a manager application relied upon by the Examiner. However, Peterson fails to disclose several of the limitations recited by claims 1-10 and 25-29. Thus, Applicants respectfully assert that claims 1-10 and 25-29 patentably distinguish over Peterson.

For example, with respect to claim 1, this claim recites:

A system for managing a capacity extreme at a first entity in a supply chain, comprising:

a planning application operable to receive status data for at least the first entity reflecting the capacity extreme at the first entity and to generate a plan according to the status data; and

a manager application operable to receive the plan and, according to the plan, to automatically initiate at least one service in an attempt to resolve at least a portion of the capacity extreme through interaction with one or more other entities, the manager application operable to select the service from among a plurality of available services based on a monetary value to the first entity of a resolution expected to be available using the selected service relative to other services.

Peterson fails to disclose several of the limitations recited in independent claim 1. For example, Peterson fails to disclose a planning application operable to receive status data reflecting the capacity extreme, where a plan is generated according to the status data. By virtue of the fact that Peterson fails to disclose generating a plan according to the status data, it follows that Peterson further fails to disclose causing the plan to be initiated to resolve at least a portion of the capacity extreme through interaction with one or more entities.

Thus, the allegation in the present Office Action that Peterson discloses all of the claimed features is respectfully traversed. Further, it is noted that the Office Action provides no concise explanation as to how Peterson is considered to anticipate all of the limitations in independent claim 1. A prior art reference anticipates the claimed invention under 35 U.S.C. § 102 only if each and every element of a claimed invention is identically shown in that single reference. MPEP § 2131. Applicants respectfully point out that "it is incumbent upon the [E]xaminer to identify wherein each and every facet of the claimed invention is disclosed in the applied reference." *Ex parte Levy*, 17 U.S.P.Q.2d (BNA) 1461, 1462 (Pat. & Tm. Off. Bd. Pat. App. & Int. 1990). The Applicants respectfully submit that the Office Action has failed to establish a *prima facie* case of anticipation in independent claim 1 under 35 U.S.C. § 102 with respect to Peterson because Peterson fails to identically disclose every element of the Applicant's claimed invention, arranged as they are in Applicants claim.

With respect to independent claims 25, 26, 27, 28, and 29 each of these claims includes limitations similar to those discussed above in connection with independent claim

1. Therefore, independent claims 25, 26, 27, 28, and 29 are considered patentably distinguishable over Peterson for at least the reasons discussed above in connection with independent claim 1. Furthermore, dependent claims 2-10 which depend from independent claim 1 are also considered patentably distinguishable over Peterson. Therefore, dependent claims 2-10 are considered to be in condition for allowance for at least the reason of depending from an allowable claim.

Thus, for the reasons set forth herein, the Applicants submit that claims 1-10 and 25-29 are not anticipated by Peterson. The Applicants further submit that claims 1-10 and 25-29 are in condition for allowance. Therefore, the Applicants respectfully request that the rejection of claims 1-10 and 25-29 under 35 U.S.C. § 102(e) be reconsidered and that claims 1-10 and 25-29 be allowed.

#### **THE LEGAL STANDARD FOR ANTICIPATION REJECTIONS UNDER 35 U.S.C. § 102:**

The following sets forth the legal standards for "anticipation."

The events that can lead to anticipation can be divided into the following seven categories, all defined by statute:

1. Prior Knowledge: The invention was publicly known in the United States before the patentee invented it.
2. Prior Use: The invention was publicly used in the United States either (i) before the patentee invented it; or (ii) more than one year before he filed his patent application.
3. Prior Publication: The invention was described in a printed publication anywhere in the world either (i) before the patentee invented it; or (ii) more than one year before he filed his patent application.
4. Prior Patent: The invention was patented in another patent anywhere in the world either (i) before the patentee invented it; or (ii) more than one year before he filed his application.

5. On Sale: The invention was on sale in the United States more than one year before the patentee filed his application.

6. Prior Invention: The invention was invented by another person in the United States before the patentee invented it, and that other person did not abandon, suppress or conceal the invention.

7. Prior U.S. Patent: The invention was described in a patent granted on a patent application filed in the United States before the patentee made the invention.

Each of those seven events has its own particular requirements, but they all have the following requirements in common:

1. Anticipation must be shown by clear and convincing evidence.
2. If one prior art reference completely embodies the same process or product as any claim, the product or process of that claim is anticipated by the prior art, and that claim is invalid. To decide whether anticipation exists, one must consider each of the elements recited in the claim and determine whether all of them are found in the particular item alleged to be anticipating prior art.
3. There is no anticipation unless every one of those elements is found in a *single* prior publication, prior public use, prior invention, prior patent, prior knowledge or prior sale. One may not combine two or more items of prior art to make out an anticipation. One should, however, take into consideration, not only what is expressly disclosed or embodied in the particular item of prior art, but also what inherently occurred in its practice.
4. There cannot be an accidental or unrecognized anticipation. A prior duplication of the claimed invention that was accidental, or unrecognized, unappreciated, and incidental to some other purpose is not an invalidating anticipation.

Those four requirements must be kept in mind and applied to each kind of anticipation in issue. The following additional requirements apply to some categories of anticipation.

1. Prior Knowledge: An invention is anticipated if it was known by others in the United States before it was invented by the patentee. "Known," in this context, means known to the public. Private knowledge, secret knowledge or knowledge confined to a small, limited group is not necessarily an invalidating anticipation. Things that were known to the public only outside the United States are not invalidating anticipation.

2. Prior Use: An invention is anticipated if it was used by others before it was invented by the patentee, or more than one year before the patentee filed his patent application. "Use," in this context, means a public use.

3. Prior Publication: A patent is invalid if the invention defined by the Claims was described in a printed publication before it was invented by the patentee or more than one year prior to the filing date of his application. For a publication to constitute an anticipation of an invention, it must be capable, when taken in conjunction with the knowledge of people of ordinary skill in the art, of placing the invention in the possession of the reader. The disclosure must be enabling and meaningful. In determining whether the disclosure is complete, enabling, and meaningful, one should take into account what would have been within the knowledge of a person of ordinary skill in the art at the time, and one may consider other publications that shed light on the knowledge such a person would have had.

4. Prior Patent: If the invention defined by the claims was patented in the United States or a foreign country, either before it was invented by the inventor or more than one year before the inventor filed his patent application, then the invention was anticipated. The effective date for this type of anticipation is the date on which two things co-existed: (i) the owner of the referenced patent had the right to enforce that patent; and (ii) the reference patent was available to the public. What was "patented" in the reference patent is determined by what is defined by its claims, interpreted in the light of the general description.

5. On Sale: A patent is invalid if the invention claimed in it was on sale in the United States more than one year prior to the application filing date.

6. Prior Invention: If the invention defined by the claims was invented by another person, in the United States, before it was invented by the inventor, and that other person did not abandon, suppress, or conceal the invention, the invention lacks novelty. A prior invention, even if put in physical form and shown to produce the desired result, is not an invalidating anticipation unless some steps were taken to make it public. However, it is not necessary that the inventor had knowledge of that prior invention.

7. Prior U.S. Application: A patent is invalid for lack of novelty if the invention defined by the claims was described in a United States patent issued on a patent application filed by another person before the invention was made by the inventor. The effective date of a prior application for purposes of this issue is the date on which it was filed in the United States. Foreign-filed patent applications do not apply. If the issued United States patent claims the benefit of more than one United States application, its effective date as an anticipation is the filing date of the first United States application that discloses the invention claimed in that referenced patent.

Experimental Use Exception: The law recognizes that it is beneficial to permit the inventor the time and opportunity to develop his invention. As such there is an "experimental use" exception to the "public use" and "on sale" rules. Even though the invention was publicly used or on sale, more than one year prior to the application filing date, that does not invalidate the patent, provided the principal purpose was experimentation rather than commercial benefit. If the primary purpose was experimental, it does not matter that the public used the invention or that the inventor incidentally derived profit from it.

When a public use or sale is shown, the burden is on the inventor to come forward with evidence to support the experimental use exception. Only experimentation by or under the control of the inventor qualifies for this exception. Experimentation by a third party, for its own purposes, does not qualify for this exception. Once the invention leaves the inventor's control, its use is a public one, even if further experimentation takes place.

The experimentation must relate to the claimed features of the invention. And it must be for the purpose of technological improvement, not commercial exploitation. If any



commercial exploitation does occur, it must be merely incidental to the primary purpose of experimentation. A test done primarily for marketing, and only incidentally for technological improvement, is a public use.

**CONCLUSION:**

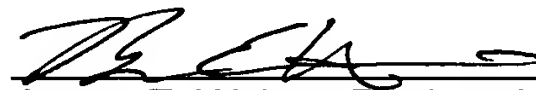
In view of the foregoing amendments and remarks, this application is considered to be in condition for allowance, and early reconsideration and a Notice of Allowance are earnestly solicited.

Although Applicants believe no fee is due, the Commissioner is hereby authorized to charge any fee to **Deposit Account No. 500777**.

**Please link this application to Customer No. 38441 so that its status may be checked via the PAIR System.**

Respectfully submitted,

29 APRIL 2005  
Date



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